



**National Electric Power Regulatory Authority**  
ISLAMIC REPUBLIC OF PAKISTAN  
NEPRA Head Office Ataturk Avenue (East),  
Sector G-5/1, Islamabad.  
Ph:051-2013200, Fax: 051-2600021


**Consumer Affairs  
Department**

TCD 06/ 4721 -2023  
October 10, 2023

Chief Executive Officer,  
Faisalabad Electric Supply Company Limited (FESCO),  
Abdullah Pur, Canal Bank Road, Faisalabad.

**Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. FAISAL RAFI S/O MUZAMMIL RAFI UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST FESCO REGARDING REVISION OF DEMAND NOTICE**  
**Case No. FESCO-NHQ-26502-07-23**

Please find enclosed herewith the decision of the NEPRA Consumer Complaints Tribunal dated October 10, 2023 regarding the subject matter for necessary action and compliance within thirty (30) days, positively.

  
(Muhammad Abid)  
Assistant Director (CAD)  
NEPRA  
Islamabad  
ICAD

**Copy to:**

1. GM (Customer Services & Commercial)  
FESCO, Abdullah Pur, Canal Bank Road Faisalabad.
2. Director (Commercial)  
FESCO, Abdullah Pur, Canal Bank Road Faisalabad.
3. Mr. Faisal Rafi S/o Muzammil Rafi,  
House No. 347, Rajana Road, Mohallah UK Garden, Pir Mahal,  
Tehsil Pir Mahal, District Toba Tek Singh.



**BEFORE THE  
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY  
(NEPRA)**

**Complaint No. FESCO-NHQ-26502-07-23**

**Mr. Faisal Rafi s/o Muzammil Rafi,**  
House No. 347, Rajana Road,  
Mohallah UK Garden, Pir Mahal,  
Tehsil Pir Mahal, District Toba Tek Singh.

.....Complainant

**Versus**

**Faisalabad Electric Supply Company (FESCO)**  
Abdullah Pur, Canal Bank Road, Faisalabad.

..... Respondent

**Date of Hearings:** 20<sup>th</sup> July, 2023

**On behalf of:**  
**Complainant:** Mr. Javed Iqbal Ramday

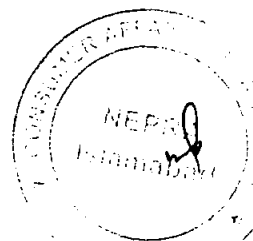
**Respondent:** Mr. Faisal Raza Marth, Chief Engineer (P&D)  
Mr. Muhammad Abdullah, Addl. Director, FESCO

**Subject:** **DECISION IN THE MATTER OF COMPLAINT FILED BY MR. FAISAL RAFI S/O MUZAMMIL RAFI UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST FESCO REGARDING REVISION OF DEMAND NOTICE**

**DECISION**

This this decision shall dispose of the complaint referred by Lahore High Court, Lahore vide order dated June 22, 2023 against writ petition No. 42910/23 whereby the Court directed to decide in the matter of complaint filed by Mr. Faisal Rafi (hereinafter referred to as "the Complainant") against Faisalabad Electric Supply Company (hereinafter referred to as the "Respondent" or "FESCO"), under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").

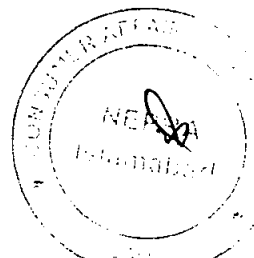
2. NEPRA received an order from the Honorable Lahore High Court, Lahore dated June 22, 2023 in writ petition No. 42910/23 wherein the Court transmitted the petition of the Complainant to treat it as representation on behalf of the Complainant. The Complainant vide the said petition submitted that in response to their application for external electrification of Faisal Block, UK Town, Chak No. 319/G.B, Pir Mahal, District Toba Tek Singh, FESCO issued a demand notice on May 31, 2022 amounting to Rs. 18,880,051/- which was paid by the Complainant in two equal installments of Rs. 9,440,027/-. The first installment in this regard was paid on July 8, 2022 while the second installment was paid on August 24, 2022. Subsequently, FESCO started electrification work at site but later on FESCO issued an additional demand notice on May 03, 2023 amounting to Rs.6,208,322/- on account of escalation of rates of material and suspended further electrification work. Being aggrieved on issuance of the additional demand notice, the Complainant filed a petition against FESCO and requested NEPRA to direct FESCO to withdraw the additional demand notice and complete the electrification work at the site as the additional demand notice is against the provisions of Consumer Service Manual (CSM).



3. The matter was taken up with FESCO and a hearing was held at NEPRA Head Office, Islamabad on July 20, 2023. The hearing was attended by both the parties i.e. FESCO and the Complainant wherein the case was discussed in detail. During the hearing, FESCO submitted that the case for external electrification of Faisal Block Chak No. 319/G.B, Pir Mahal was approved and a demand notice amounting Rs. 18,880,051/- was issued which was paid by the Complainant in two equal installments. The execution of work was started, however, the rates of material were enhanced due to inflation and an additional demand notice amounting to Rs. 6,208,322 /- dated May 03, 2023 was issued to the Complainant for payment. As per agreed terms and conditions the Complainant is liable to pay the amount of the demand notice. The relevant clause states that "the sponsor of the housing scheme will have to pay extra amount (if any) due to revision, change in estimate, audit observation, increase in cost of material, outstanding arrears or any omission in estimate." FESCO further submitted that the amount of demand notice is purely provisional and it is always issued subject to the condition that any excess expenditure over and above the estimated amount due to any reason shall be payable by the sponsor before the energization of the system. Moreover, execution of work has been stopped due to non-payment of demand notice by the Complainant.

4. The case has been examined in detail in light of the record made so available by the parties, arguments advanced during the hearings and applicable law. The following has been observed:

- (i) The Complainant applied for the external electrification of Faisal Block Chak No. 319/GB, Pir Mahal. Subsequently, FESCO approved the case and issued a demand notice amounting to Rs. 18,880,051/- on May 31, 2022 which was paid by the Complainant in two equal installments on July 8, 2022 and August 24, 2022. FESCO started the execution of work after payment of demand notice by the Complainant, however, on May 03, 2023 FESCO issued an additional demand notice amounting to Rs. 6,208,322/- and suspended further execution of work. Being aggrieved from the additional/revised demand notice, the Complainant filed a writ petition No. 42910/23 before Honorable Lahore High Court, Lahore wherein the honorable court directed NEPRA to decide on the matter in accordance with law within a period of one month.
- (ii) The total load of the Faisal Block Chak No. 319/GB, Pir Mahal is 708 kW. According to time frame for new connections given in NEPRA Performance Standards (Distribution) Rules-2005 (PSDR-2005) read with Consumer Service Manual (CSM), DISCOs are required to provide electricity connection for load above 500 kW but not exceeding 5000 kW within seventy six (76) days of payment of demand notice. The second installment of demand notice was paid on August 24, 2022, therefore, according to the said provision of CSM; the electrification work should have been completed by November 08, 2022.
- (iii) According to Clause-2.7.1 of Consumer Service Manual (CSM), in the cases where there is shortage/non availability of material, DISCOs can ask the applicant to procure required material as per the specifications of the DISCOs. In the instant case, if there was any shortage/non availability of material, FESCO should have informed the Complainant for procurement of the same on its own, however, FESCO neither completed the external electrification nor informed the Complainant for procurement of the unavailable material in FESCO stores. Moreover, as per Clause 2.7.2 of CSM; FESCO did not provide option of execution of electrification work to the sponsor / applicant.
- (iv) FESCO has based its understanding on the fact that the revision of rates of material etc. in a force majeure event is preconceived and essentially conveyed while approving the housing scheme to the Complainant thorough the excerpt mentioned as clause (k) of the office order which is as follows:



*'The sponsor of this housing scheme will have to pay (if any) extra amount due to revision, change in estimate, audit observation, increase in cost of material, outstanding arrears and omission in estimate.'*

However, there is no force in argument of FESCO due to non-compliance of the same with the relevant provisions of the Consumer Service Manual (CSM). According to the Clause 2.4.6 of the CSM, once demand notice issued by DISCO i.e. FESCO and paid by the applicant in full, no further charges/demand notice can be raised against the applicant on account of escalation of rates of material. The same is reflected in the instant matter through documentary evidence on record wherein the 2<sup>nd</sup> installment of demand notice was paid by the Complainant in full on August 24, 2022 within prescribed time period as per SOPs. Moreover, FESCO failed to complete electrification work as per the time lines provided in CSM and PSDR-2005. In view of the said, penalizing the Complainant through additional/revised demand notice on account of negligence etc. of the concerned FESCO officials is unwarranted and the same is not liable to be paid by the Complainant.

5. Foregoing in view, FESCO is directed to issue revised demand notice to the Complainant as per the rates applicable on November 08, 2022 (the time period under which FESCO was obligated to energize the connection/electrification. Upon payment of difference of cost (if any) FESCO shall energize the system without further delay after completion of all other codal formalities. Compliance report be submitted within thirty (30) days.



**(Lashkar Khan Qambrani)**

Member, Consumer Complaints Tribunal/  
Director (CAD)



**(Moqees-ul-Hassan)**

Member, Consumer Complaints Tribunal/  
Assistant Legal Advisor (CAD)



**(Naveed Illahi Shaikh)**

Convener, Consumer Complaints Tribunal/  
Director General (CAD)

Islamabad, October 10, 2023.

